



U.S. Department
of Transportation
**Federal Highway
Administration**

Memorandum

Subject: **INFORMATION**: Management of
Emergency Relief Funds

Date: January 23, 2012

From: David A. Nicol
Director, Office of Program
Administration

In Reply Refer To:
HIPA-10

To: Division Administrators
Directors of Field Services

The General Accountability Office (GAO) recently completed a report on the Emergency Relief (ER) Program (*Strengthened Oversight of Project Eligibility Decisions Needed*, <http://www.gao.gov/products/GAO-12-45>) that identified significant unobligated balances of ER funding in division office accounts, including funds that were no longer needed on the events for which they were allocated. In some cases, divisions used these unobligated funds for newer ER events within the State. In other cases, older categories of ER funds sat dormant because they were tied to disasters where all work had been completed.

The GAO included the following recommendation in its report:

Instruct FHWA division offices to no longer permit states to transfer unobligated allocations from a prior emergency relief event to a new event so that allocations that are no longer needed may be identified and withdrawn by FHWA.

To address the GAO recommendation and more efficiently manage the funds provided under the ER program, we are taking the following actions:

- Divisions may no longer obligate ER funds allocated for one event to fund repairs for a different event. This is a change from the allowance provided in our memorandum of August 15, 1997 (reference copy attached).
- The Office of Program Administration will use Fiscal Management Information System (FMIS) reports to identify unobligated ER funds and will work with the divisions to withdraw funds that are no longer needed for the events for which they were allocated.

These actions will improve the efficiency of the ER funding, reduce unobligated balances, and allow these scarce funds to be directed to more immediate needs. Thank you in advance for your cooperation and assistance in implementing these changes.

If you have any further questions, please contact Mr. Peter Kleskovic at 202-366-4652 or Mr. Greg Wolf at 202-366-4655 or via e-mail.

Attachment

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ER Funding.docx

cc:

HIPA-1 (Nicol) HIPA-1 (Seabron/Reader) HIPA-10 (Kleskovic) HIPA-10 (Wolf)
HIF-1 (Smith-Clark, Sharon)